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STATE FOR NEA/MAG

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SUBJECT: SCENESETTER FOR FM BENAISSA'S VISIT TO WASHINGTON

REF: A. RABAT 398

¶B. RABAT 522

Classified By: Charge D'Affaires Wayne J. Bush for Reasons 1.4 (b) and (d)

- 11. (C) FM Benaissa is coming to Washington May 2 after a bruising few weeks for Morocco on the Western Sahara. The latest UN resolution was a narrowly dodged bullet, from Morocco's point of view. The MFA in Rabat and Moroccan Embassy in Washington both lobbied vigorously to avoid a resolution they perceived as detrimental to Moroccan interests. With the rollover now behind us, Morocco has bought some time, but the fact remains they are not making their case on the Western Sahara effectively (something the independent press here does not hesitate to point out). They have left us with little sense of a timeline for contributing an autonomy plan, and relations with Algeria are sour with no immediate prospects for improvement.
- 12. (C) Morocco has asked for the patience of the international community while it undertakes a consultation process with political parties, NGOs, and the public on an autonomy plan. While we grant that the consultation process is new and unprecedented for Morocco, we harbor skepticism that it will be transparent and serious and produce genuine The centerpiece of the process is the newly reinvigorated Royal Council on Sahrawi Affairs (CORCAS), which held its first meeting in Rabat in early April. Since then, CORCAS has engaged in a vigorous media effort to demonstrate its credibility to both Moroccans and the international community. CORCAS president Khali Henna has fielded questions from journalists on national TV, done a number of interviews, called publicly for CORCAS to reach out to the Polisario (importantly, this is not the same as calling for a negotiation with the Polisario), advised the King to release Sahrawi political prisoners, and responded to Algerian comments on the UNSYG's report on the Western Sahara. CORCAS is emerging as the official mouthpiece in Morocco on Sahrawi affairs and, in a direct broadside to the Polisario, is making the case that it is the only legitimate representative of the Sahrawi people, and that it speaks for all Sahrawis. While we welcome these steps, the international community needs to see action and follow-through, so that over time these pronouncements lead to serious dialogue and, in the earliest possible timeframe, a genuine autonomy plan.

(C) We recommend that our message to FM Benaissa remain consistent with what we have told Deputy Foreign Minister Fassi Fihri in Rabat and in Washington during his March visit: Morocco must proceed with vigor on its autonomy plan, demonstrating to the international community that it is serious, and Morocco must articulate a timeline and a strategy for moving into negotiations with the Polisario. Suggestions that the process is open-ended or that action could hinge upon the 2007 parliamentary elections do not provide the assurances the international community is looking for. At forty-four million dollars a year, and absent progress on the core issue of its mandate, MINURSO cannot remain on the ground indefinitely as a salve to the parties, while Morocco, Algeria, and the Polisario find excuses to avoid the engagement that is necessary for a resolution. In addition, we urge the Secretary and Deputy Secretary to reinforce the point that CORCAS must demonstrate transparency, cultivate genuine debate, and act on its rhetoric.

Reform: Press Freedom

14. (C) Reform remains largely on track, despite persistent concerns we hear that change is not happening fast enough and that reform is almost entirely driven by the Palace. Press freedom remains a problematic area, however. A handful of newspapers have been handed stiff fines recently stemming from charges of libel (reftels). While this may represent an improvement from the recent practice of sending journalists to jail (we are not aware of any journalists in prison at the moment), such fines are tantamount to forcing publications out of business. While we have raised press freedom on numerous occasions in Rabat, we would encourage reinforcement of our message in Washington.

Middle East: the Palestinians, Iraq, Iran

- 15. (C) Morocco continues to be a moderating voice in the Middle East. Most recently Mahmoud Abbas visited April 12-15, during which time King Mohammed hosted a dinner attended by Arab diplomats and senior government officials. Abbas also met with PM Jettou. In what the GOM considered a "working visit," the King offered to provide the Palestinians a new embassy in Rabat. In recent discussions with the Ambassador, Benaissa noted that there was considerable pressure on Morocco to receive Hamas Secretary General Khaled Mishal as other Arab countries had already done so. The GOM pledged, however, that if Mishal visited, the US could be assured that Morocco would deliver the Quartet message. King Mohammed met with Shimon Peres in Madrid last year and one of the King's top advisors (and a leader of the Moroccan Jewish community), Andre Azoulay, visited Israel last November, where the GOI extended an invitation for King Mohammed to visit. However, the Israeli liaison office in Rabat, closed during the second intifada, remains shuttered.
- 16. (C) The Government of Morocco continues to play a discreet but supportive role in Iraq. Morocco welcomed key events in Iraq, including the 2005 election of interim President Talabani. The Moroccan MFA has also trained Iraqi diplomats in Morocco. The GOM, however, has not publicly condemned the terrorist attacks in Iraq in the same way it has condemned similar attacks elsewhere. Two employees of the Moroccan Embassy in Baghdad are currently being held hostage; there have been strong public demonstrations of support for them, and against the kidnappers, from the King and the Moroccan people, but their capture is dragging on with no apparent resolution.
- 17. (C) the Iranian Vice President for Legal and Parliamentary Affairs visited Morocco in early January and was received by PM Jettou. While the Moroccans support the right of Iran to develop nuclear energy for peaceful purposes, the GOM has said that it made clear to VP Musavi that Iran must comply with international law and

non-proliferation conventions. Morocco supports US efforts to deal with the issue multilaterally and believes another military confronation must be avoided at all costs. The GOM is also concerned about Iranian "meddling" in Iraq.

NATO

18. (SBU) Morocco appears committed to playing a more active role in NATO, and in the Mediterranean Dialogue (MD) specifically. Morocco hosted on April 7 a high-level event that brought together, for the first time, NATO Allies and MD partners (Algeria, Egypt, Israel, Jordan, Mauritania, Morocco, and Tunisia) in a MD country. It was the first time the North Atlantic Council had met outside a NATO country. The event highlighted both the new operational aspect of the MD, as well as Morocco,s extensive participation in international peacekeeping. Morocco,s initiative in hosting this historic meeting has been widely applauded, and a word of appreciation from the Secretary or Deputy Secretary, as well as encouragement to stay on course, would be appropriate.

Economic Issues: FTA, MCA, and Anti-Money Laundering

19. (SBU) Though he is not a player on economic issues, we can relay to Benaissa that we are pleased with the initial successes of the FTA during the first months of implementation, particularly the increased foreign direct investment

in the textile and garment sector. Several small irritations have arisen with regard to agricultural trade, however. We hope that we can work together in the cooperative spirit of the accord to open up markets and liberalize sectors, thus making the FTA a true victory for both countries. We are monitoring Morocco's efforts to develop its MCA compact proposal. Morocco's program, possibly amounting to seven or eight hundred million dollars or more would be the largest, most complicated, and sophisticated MCA program to date. While we welcome the opportunity to partner with the GOM to finance initiatives under the King's National Human Development Initiative (INDH), Washington officials should reinforce

MCC's message that in addition to resulting from a broad consultative process, MCA-funded activities must carry an internal rate of return, create jobs and reduce poverty, and have a specific timeframe and implementation plan. Much of this will be discussed during the ensuing months of MCA compact negotiations.

¶10. (SBU) While encouraged by the Council of Government's passage of draft anti-money laundering legislation this month,

Washington officials should keep up the pressure for timely Council of Ministers' and Parliamentary approval of the law, a keystone of our counter-terrorism finance efforts. INL has set aside \$800 thousand to help equip a Financial intelligence Unit and help train its personnel. Disbursement of these and other U.S. funds (including FBI training and assistance that may be reprogrammed for Algeria) is contingent on passage of the AML law. Morocco's MENA-FATF peer review is scheduled for November 2006.

Bush